

**LISBON VALLEY MINING CO**

RECEIVED

JUL 18 2012

DIV. OF OIL, GAS & MINING

July 2, 2012

Mr. Paul Baker
Utah Division of Oil, Gas, and Mining
PO Box 145801 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Dear Mr. Baker,

In connection with the audit of our financial statements, please confirm directly to our auditors, Deloitte & Touche LLP, 299 South Main Street, Suite 1900, Salt Lake City, Utah 84111, our reclamation cost as estimated by the Utah Division of Oil, Gas, and Mining as of **December 31, 2011**, collateral.

Please also provide information related to the calculation (supporting schedules) of the reclamation obligation, including a confirmation that the Division's calculated value is based on current disturbances (not future disturbances) and is valued as the current amount that would be due as of **December 31, 2011**.

Yours very truly,



Tom Chilcott, CFO

Mr. Chilcott:

The Division of Oil, Gas & Mining is currently holding a surety bond in the amount of \$6,076,888.00. This is for the large permit M/037/0088 only. Included are the bond calculations.

Thank you

Date: 8/7/12

(Name, Title): ROB RE
Minerals Program
Manager